

**Vermont Health Access
Pharmacy Benefit Management Program**

January, February and March 2009

**Quarterly Report to
Health Access Oversight
Committee**

Q3 SFY 2009

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Pharmacy Benefit Management Program Quarterly Report

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The Agency of Human Services, Office of Vermont Health Access (OVHA), is pleased to provide the quarterly report to the Health Access Oversight Committee as required by Act 127 approved in 2002 and found in 33 V.S.A. Chapter 19 § 2001. This report covers the activities of the Pharmacy Benefits Manager (PBM) for the third quarter of State Fiscal Year 2009.

The three requirements are set out in bold italics. The OVHA's response follows each requirement.

§2001 (c) (1) “The director of the office of Vermont health access shall report quarterly to the health access oversight committee concerning the following aspects of the pharmacy best practices and cost control program:

(1) the efforts undertaken to educate health care providers about the preferred drug list and the program's utilization review procedures;”

During this quarter, the following educational mailings were sent to pharmacy providers:

- January 2009: OVHA Pharmacy Alert – Educational notice to pharmacies on correct billing for dispensing / supply fees for Medicare Part B crossover claims.
- February 2009: Letter to pharmacy managers describing:
 - the most prevalent incorrect billing practices;
 - how the OVHA Pharmacy Unit would continue to work closely with the OVHA Program Integrity Unit to identify repeated submission of inaccurate submission; and
 - the actions that may be taken to resolve such situations.
- March 2009: OVHA Pharmacy Bulletin – Topics included:
 - Announcement of new pharmacy director
 - OVHA Pharmacy Best Practices and Cost Control Report for 2009
 - Specialty pharmacy services
 - OVHA website resources
 - Most common billing errors / provider manual update
 - Other Coverage Codes – A reminder

In an attempt to make all documents available to interested parties, the department maintains a web page with information related to the Pharmacy Benefits Management Program at:

<http://ovha.vermont.gov/for-providers>.

“(2) the number of prior authorization requests made;”

Clinical Prior Authorization Requests					
	Requests	Approved	Changes	Denied	Fair Hearing Status
January	1544	1234	70	240	1 Withdrawn 2 Failure to
February	1376	1045	54	277	Appear
March	1603	1282	97	224	0
Total	4523	3561	221	741	3

Quantity Limit Prior Authorization Requests					
	Requests	Approved	Changes	Denied	Fair Hearing Status
January	128	106	7	15	0
February	161	117	19	25	0
March	169	138	12	19	0
Total	458	361	38	59	0

Combined Clinical and Quantity Limit Prior Authorization Requests					
	Requests	Approved	Changes	Denied	Fair Hearing Status
January	1672	1340	77	255	1 Withdrawn 2 Failure to
February	1537	1162	73	302	Appear
March	1772	1420	109	243	
Total	4981	3922	259	800	

Data in the table above show that the OVHA received a total of 4,523 requests for **clinical prior authorizations (PA)** during the third quarter of State Fiscal Year 2009 (January, February and March 2009). This represents a 1.00% increase in the total number of clinical prior authorization received during the previous quarter (4,478), and a 1.11% decrease from one year ago, Q3 SFY 2008, when total clinical PA requests were 4,574.

OVHA received a total of 458 requests for **quantity limit prior authorizations** during the third quarter of State Fiscal Year 2009 (January, February and March 2009), a 4.57% increase in the total number of quantity limit prior authorization requests received during the previous quarter (438), and a 7.26% increase from one year ago, Q3 SFY 2008, when total quantity limit PA requests were 427.

“(3) the number of utilization review events (other than prior authorization requests).”

	January	February	March	Q3	Percentage of Total
Drug-Age Precaution	49	69	23	141	0.05%
Drug-Disease Precaution	3,415	3,292	3,776	10,483	3.39%
Drug-Drug Interaction	24,243	23,772	27,141	75,156	24.28%
Ingredient Duplication	9,428	8,280	9,717	27,425	8.86%
Refill Too Soon	4,179	4,014	4,502	12,695	4.10%
Therapeutic Duplication	60,566	57,708	65,427	183,701	59.33%
	101,880	97,135	110,586	309,601	100.00%

During the third quarter of SFY 2009, a total of 309,601 utilization events occurred. This was a 5.5% increase from the previous quarter, in which a total of 293,447 utilization review events occurred. Below is a comparison of the utilization review events for the second and third quarters of SFY 2009.

	Q3 SFY 09	Q2 SFY 09	Percent Change:
Drug-Age Precaution	141	71	98.59%
Drug-Disease Precaution	10,483	10,079	4.01%
Drug-Drug Interaction	75,156	69,358	8.36%
Ingredient Duplication	27,425	27,373	0.19%
Refill Too Soon	12,695	12,635	0.47%
Therapeutic Duplication	183,701	173,931	5.62%
Total	309,601	293,447	5.50%